

Message Text

CONFIDENTIAL

PAGE 01 SANTO 01557 092108Z

63

ACTION EB-07

INFO OCT-01 ARA-06 ISO-00 AGR-05 AID-05 CIAE-00 COME-00

FRB-03 INR-07 NSAE-00 TRSE-00 XMB-02 OPIC-03 SP-02

CIEP-01 LAB-04 SIL-01 OMB-01 IO-10 STR-04 DODE-00

PM-03 H-02 L-02 NSC-05 PA-01 PRS-01 SS-15 USIA-06

/097 W

----- 060327

R 092005Z APR 75

FM AMEMBASSY SANTO DOMINGO

TO SECSTATE WASHDC 3346

C O N F I D E N T I A L SANTO DOMINGO 1557

E.O. 11652: GDS

TAGS: EAGR, ETRD, DR

SUBJECT: NEWSPAPER ARTICLES ON LA SUGAR PRODUCERS MEETING IN PUERTO PLATA

REF: SANTO DOMINGO 1533

1. BEGIN CONFIDENTIAL THREE ARTICLES ON THE SUBJECT MEETING APPEARED ON APRIL 1, 2, AND 3 IN THE SANTO DOMINGO TABLOID, ULTIMA HORA, WRITTEN BY GUARIONEX ROSA. ACCORDING TO A CONTACT, CEA DIRECTOR ALVAREZ BOGAERT PAID ROSA TO PRODUCE THE ARTICLES IN ORDER QUOTE TO GET THE AMERICAN EMBASSY OFF HIS BACK UNQUOTE. ALVAREZ EXPLAINED THAT THE AMERICANS WERE WORRIED THAT THEIR INTERESTS WOULD BE HARMED AT THE MEETING. END CONFIDENTIAL

2. BEGIN UNCLASSIFIED THE ARTICLE OF APRIL 1 IN ULTIMA HORA STATES THAT THE DOMINICAN GOVERNMENT REJECTS ANY IDEA OF FORMING AN OPEC-LIKE ORGANIZATION AT THE LA SUGAR PRODUCERS MEETING IN PUERTO PLATA APRIL 21. THE PRIVATE SUGAR SECTOR AS WELL AS THE OFFICIAL SECTOR AGREED THAT THIS WAS THE CORRECT POLICY, NOT ONLY FOR AVOIDING CONFRONTATION WITH THE PRINCIPAL PURCHASER OF DOMINICAN SUGAR, THE U.S., BUT ALSO FOR ECONOMIC REASONS. CONFIDENTIAL

CONFIDENTIAL

PAGE 02 SANTO 01557 092108Z

3. COUNTIES SUCH AS CUBA AND PERU CONCURRED IN THE SELECTION OF THE DR AS THE SITE FOR THE MEETING CONSCIOUS OF ITS HARMONIOUS RELATIONS WITH THE US.

4. THE DR WOULD BE THE COUNTRY MOST AFFECTED BY AN OPEC-TYPE SUGAR ASSOCIATION WHICH WOULD IMMEDIATELY CLASH WITH THE NEW TRADE ACT OF THE US. THE COLLAPSE OF THE DR SUGAR INDUSTRY WOULD REAN RUINATION, WHICH WOULD NOT OCCUR FOR BRAZIL, MEXICO OR COLOMBIA.

5. THE ARTICLE OF APRIL 2 STATES THAT THE LA COUNTRIES DO NOT HAVE THE ABILITY TO ESTABLISH AN OPEC-TYPE PRODUCERS CARTEL BECAUSE THE 22 COUNTRIES WHICH WILL BE MEETING AT PUERTO PLATA REPRESENT ONLY 30 PERCENT OF THE WORLD'S SUGAR PRODUCTION, OR 60 PERCENT OF THE INTERNATIONAL SUGAR TRADE. THE ARTICLE QUOTES A DOMINICAN ECONOMIST WHO WAS FORMERLY AMBASSADOR TO THE US, SALVADOR ORTIZ, AS SAYING THAT A NEW INTERNATIONAL SUGAR AGREEMENT WOULD PERHAPS BE THE BEST OVERALL SOLUTION FOR SUGAR.

6. THE ARTICLE SAYS THAT THE OBJECTIVES OFCIZS PUERTO PLATA CONFERENCE ARE: A FULL EXCHANGE OF IDEAS ON WHAT HAS HAPPENED TO THE WORLD SUGAR INDUSTRY IN THESE MOMENTS OF CRISES; AND STRENGTHENING THE PERMANENT SECRETARIAT WHICH IS LOCATED IN MEXICO, IN ORDER THAT THE SUGAR COUNTRIES CAN RECEIVE ADEQUATE INFORMATION AND PREDICTIONS ON THE MARKET.

7. THE ARTICLE ADDS THAT A SIGNIFICANT OBJECTIVE OF THE MEETING WILL ALSO BE TO AGREE ON CRITERIA FOR THE PURPOSE OF ESTABLISHING A COMMON POSITION IN NEGOTIATIONS WITH THE IMPORTING COUNTRIES IN THE INTERNATIONAL SUGAR ORGANIZATION.

8. THE LAST OF THE THREE ARTICLES SAYS THAT THE MAJOR THEME OF THE PUERTO PLATA MEETING WILL NOT BE THE ADOPTION OF A COMMON POSITION ON PRICES BUT RATHER THAT OF EXPLORING MEANS FOR KEEPING THE CONSUMING COUNTRIES FROM UNILATERALLY ADOPTING PROTECTIONIST MEASURES WHICH WILL HAVE THE EFFECT OF REDUCING VOLUME ON THE FREE SUGAR MARKET. THE ARTICLE STATES THAT A PRINCIPAL CONCERN OF DOMINICAN AUTHORITIES, AND ONE CERTAIN TO BE ANALYZED AT PUERTO PLATA, WILL BE THE POSSIBILITY OF THE EEC'S SELLING SUGAR ON THE FREE MARKET AT MARGINAL PRICES.

CONFIDENTIAL

CONFIDENTIAL

PAGE 03 SANTO 01557 092108Z

9. THE ARTICLE REPORTS THAT MEXICO AND CUBA MAY ASK THE PRODUCERS TO PARTICIPATE IN PRICE-FIXING ARRANGEMENTS. THE SECRETARY-GENERAL OF THE DOMINICAN COMMUNIST PARTY IS QUOTED AS SAYING THAT CUBA WILL ASK FOR AN AGREEMENT FOR INCREASING REGIONAL CAPACITY FOR STORING SUGAR.

10. THE DOMINICAN POSITION, THE ARTICLE CONCLUDES, APPEARS TO BE

DIREVED TOWARD RECONCILING THE INTEREST OF PRODUCERS AND CONSUMERS.
THE ARTICLE THEN REFERS TO THE POSSIBILITY OF A MECHANISM FOR
ESTABLISHING A PRICE FLOOR BY WITHHOLDING STOCKS AND BY OBLIGING
LWPORTERS TO FREEZE PRODUCTION. END UNCLASSIFIED.
HURWITCH

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PRESS COMMENTS, SUGAR, PRODUCTION, MEETINGS
Control Number: n/a
Copy: SINGLE
Draft Date: 09 APR 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GolinoFR
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975SANTO01557
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D750124-0434
From: SANTO DOMINGO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750467/aaaacjew.tel
Line Count: 120
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 75 SANTO DOMINGO 1533
Review Action: RELEASED, APPROVED
Review Authority: GolinoFR
Review Comment: n/a
Review Content Flags:
Review Date: 08 SEP 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <08 SEP 2003 by CunninFX>; APPROVED <09 SEP 2003 by GolinoFR>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: NEWSPAPER ARTICLES ON LA SUGAR PRODUCERS MEETING IN PUERTO PLATA
TAGS: EAGR, ETRD, DR, XM
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006